



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. • GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

MAY 14 2013

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to and Addition of Various Budget Bill Items and Reimbursements, Support, Local Assistance, and Capitol Outlay, Department of Transportation

Increased Operating Expenses for AMTRAK (Issue 103)—It is requested that Item 2660-001-0046 be increased by \$18.6 million, and Item 2660-001-0042 be amended to reflect this change, to support increased operating expenses of the Pacific Surfliner intercity passenger rail service operated by AMTRAK. This request conforms to the federal Passenger Rail Investment and Improvement Act of 2008, which required all short distance AMTRAK corridor services to be 100 percent state-supported. The state currently pays 100 percent of the operating expenses on the San Joaquin and Capitol Corridor routes and 70 percent of Pacific Surfliner route.

Zero Base Budgeting: Equipment Program (Issue 104)—It is requested that Item 2660-001-0042 be decreased by \$2,197,000 and reimbursements be decreased by \$350,000. This reflects a reduction of 41 state staff, a one-time increase in the program's fleet replacement budget of \$10 million to replace aging equipment, a \$250,000 augmentation to conduct two comprehensive studies, a net-zero reduction in purchase authority and increased lease authority, and the elimination of unused reimbursement authority.

Zero Base Budgeting: Stormwater Permit (Issue 105)—It is requested that Item 2660-001-0042 be decreased by \$2,994,000 and Item 2660-007-0042 be increased by \$2,976,000. This reflects the redirection of 25 Capital Outlay (CO) Support positions from the Highway Transportation Program to address increased Stormwater workload. In addition to the redirected positions, Caltrans requests 25 new positions to support implementation of the new National Pollution Discharge Elimination System Stormwater Permit. New positions will be funded by a corresponding decrease in contract service activities and Administration Program funding.

Capital Outlay Support: Project Delivery Workload (Issue 106)—It is requested that the CO Support Program be decreased by \$36,280,000 million and 256 full-time equivalents, including 184 state positions, to reflect a reduction in workload primarily associated with the diminishing

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transportation funding, such as Proposition 1B and the American Recovery and Reinvestment Act. This proposed level of staffing provides a ratio of 90 percent state staff to 10 percent architectural and engineering consultant contracts based on the needs of Caltrans' districts.

This request requires changes to the following items:

- Decrease Item 2660-001-0042 by \$33,118,000
- Increase Item 2660-001-0890 by \$21,892,000
- Decrease Item 2660-002-3007 by \$3,255,000
- Increase Item 2660-004-6055 by \$5,431,000
- Increase Item 2660-004-6056 by \$4,612,000
- Decrease Item 2660-004-6058 by \$14,915,000
- Decrease Item 2660-004-6064 by \$3,033,000
- Increase Item 2660-004-6072 by \$5,089,000
- Decrease reimbursements by \$18,689,000
- Decrease Government Code section 8879.3 by \$294,000

It is also requested that Budget Bill language be added for Item 2660-001-0042 to enable Caltrans to seek an increase in additional reimbursement authority of up to \$1.8 million for additional workload associated with High-Speed Rail projects to the extent work proceeds to later phases earlier than currently anticipated (see Attachment 1).

Proposition 1B Capital Needs: Updated from Governor's Budget (Issue 107)—It is requested that the items listed below be increased for the Proposition 1B program by a net amount of \$19,776,000 in capital funding compared to the 2013-14 Governor's Budget. This request reflects updated information for state and local projects programmed by the California Transportation Commission for which project sponsors expect to seek an allocation in the budget year.

This request requires changes to the following items:

- Decrease Item 2660-104-6062 by \$592,000
- Increase Item 2660-304-6056 by \$6,534,000
- Increase Item 2660-304-6059 by \$13,284,000
- Addition of Item 2660-104-6063 in the amount of \$550,000

This brings the total budget year request for Proposition 1B funds to \$258,174,000.

In addition, Caltrans requests the amendment to and addition of Budget Bill language in Attachment 2. As several of the programs affected by this request are nearing their Proposition 1B funding limit and only a small amount of funds remain to be appropriated, the requested language will provide flexibility to allow changes to the 2013-14 appropriations so that remaining funding capacity can be utilized. Furthermore, this language will allow additional projects to be allocated should savings from prior years become available.

The effect of my requested action is reflected in the attachment.

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If you have any questions or need additional information regarding this matter, please call Mark Monroe, Assistant Program Budget Manager, at (916) 322-2263.

ANA J. MATOSANTOS

Director

By:

/s/ Michael Cohen

MICHAEL COHEN

Chief Deputy Director

Attachment

cc: Honorable Kevin de León, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Bill Emmerson, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mike Gatto, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Jim Beall, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Norma Ortega, Chief Financial Officer, Department of Transportation
Mr. Steven Keck, Chief, Budgets, Department of Transportation

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Attachment 1

Budget Bill Language for Item 2660-001-0042

Provisions:

X. The Department of Finance may augment the amount appropriated in Schedule (2) by up to \$1,800,000 for additional reimbursements from the High-Speed Rail Authority for the review and approval of environmental and engineering documents regarding circumstances in which the high-speed train system interfaces with the state highway system, as well as specific highway realignment projects related to the high-speed train system.

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Attachment 1

Budget Bill Language for Item 2660-001-0042

Provisions:

X. The Department of Finance may augment the amount appropriated in Schedule (2) by up to \$1,800,000 for additional reimbursements from the High-Speed Rail Authority for the review and approval of environmental and engineering documents regarding circumstances in which the high-speed train system interfaces with the state highway system, as well as specific highway realignment projects related to the high-speed train system.

Attachment 2

Proposed Budget Bill Language

2660-104-6063—For local assistance, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the Highway-Railroad Crossing Safety Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006.....550,000

Schedule:

(1) 20.30-Highway Transportation-Local Assistance.....550,000

Provisions:

1. The amount appropriated in this item may be adjusted up to an amount that would either (a) allow full utilization of the funds authorized under paragraph (1) of subdivision (j) of Section 8879.23 of the Government Code for this program, or (b) ensure that expenditures do not exceed the amount authorized under paragraph (1) of subdivision (j) of Section 8879.23 of the Government Code for this program.

Proposed Amendments to Provisions in Various Items

Item 2660-104-6056

3. The amount appropriated in this item may be adjusted up to an amount that would either ~~(1)(a)~~ allow full utilization of the funds authorized under subparagraph (A) of paragraph (1) of subdivision (c) of Section 8879.23 of the Government Code ~~section 8879.23 (e)(1)(A)~~ for this program, or ~~(2)(b)~~ ensure that expenditures do not exceed the amount authorized under subparagraph (A) of paragraph (1) of subdivision (c) of Section 8879.23 of the Government Code ~~Section 8879.23 (e)(1)(A)~~ for this program.

Item 2660-304-6056

3. The amount appropriated in this item may be adjusted up to an amount that would either ~~(1)(a)~~ allow full utilization of the funds authorized under subparagraph (A) of paragraph (1) of subdivision (c) of Section 8879.23 of the Government Code ~~section 8879.23 (e)(1)(A)~~ for this program, or ~~(2)(b)~~ ensure that expenditures do not exceed the amount authorized under subparagraph (A) of paragraph (1) of subdivision (c) of Section 8879.23 of the Government Code ~~Section 8879.23 (e)(1)(A)~~ for this program.

Item 2660-104-6059

3. The amount appropriated in this item may be adjusted up to an amount that would either ~~(1)(a)~~ allow full utilization of the funds authorized under subparagraph (A) of paragraph (1) of subdivision (c) of Section 8879.23 of the Government Code ~~section 8879.23 (e)(1)(A)~~ for this program, or ~~(2)(b)~~ ensure that expenditures do not exceed the amount authorized under subparagraph (A) of paragraph (1) of subdivision (c) of Section 8879.23 of the Government Code ~~Section 8879.23 (e)(1)(A)~~ for this program.

Item 2660-304-6059

3. The amount appropriated in this item may be adjusted up to an amount that would either ~~(1)(a)~~ allow full utilization of the funds authorized under subparagraph (A) of paragraph (1) of subdivision (c) of Section 8879.23 of the Government Code ~~section 8879.23 (e)(1)(A)~~ for this program, or ~~(2)(b)~~ ensure that expenditures do not exceed the amount authorized under

subparagraph (A) of paragraph (1) of subdivision (c) of Section 8879.23 of the Government Code Section 8879.23 (e)(1)(A) for this program.

Item 2660-104-6062

2. The amount appropriated in this item may be adjusted up to an amount that would either ~~(1)(a)~~ allow full utilization of the funds authorized under subparagraph (A) of paragraph (1) of subdivision (c) of Section 8879.23 of the Government Code section 8879.23 (e)(1)(A) for this program, or ~~(2)(b)~~ ensure that expenditures do not exceed the amount authorized under subparagraph (A) of paragraph (1) of subdivision (c) of Section 8879.23 of the Government Code Section 8879.23 (e)(1)(A) for this program.

Item 2660-104-6063

2. The amount appropriated in this item may be adjusted up to an amount that would either ~~(1)(a)~~ allow full utilization of the funds authorized under subparagraph (A) of paragraph (1) of subdivision (c) of Section 8879.23 of the Government Code section 8879.23 (e)(1)(A) for this program, or ~~(2)(b)~~ ensure that expenditures do not exceed the amount authorized under subparagraph (A) of paragraph (1) of subdivision (c) of Section 8879.23 of the Government Code Section 8879.23 (e)(1)(A) for this program.

Item 2660-304-6064

3. The amount appropriated in this item may be adjusted up to an amount that would either ~~(1)(a)~~ allow full utilization of the funds authorized under subparagraph (A) of paragraph (1) of subdivision (c) of Section 8879.23 of the Government Code section 8879.23 (e)(1)(A) for this program, or ~~(2)(b)~~ ensure that expenditures do not exceed the amount authorized under subparagraph (A) of paragraph (1) of subdivision (c) of Section 8879.23 of the Government Code Section 8879.23 (e)(1)(A) for this program.

Item 2660-104-6072

3. The amount appropriated in this item may be adjusted up to an amount that would either ~~(1)(a)~~ allow full utilization of the funds authorized under subparagraph (A) of paragraph (1) of subdivision (c) of Section 8879.23 of the Government Code section 8879.23 (e)(1)(A) for this program, or ~~(2)(b)~~ ensure that expenditures do not exceed the amount authorized under subparagraph (A) of paragraph (1) of subdivision (c) of Section 8879.23 of the Government Code Section 8879.23 (e)(1)(A) for this program.

Item 2660-304-6072

3. The amount appropriated in this item may be adjusted up to an amount that would either ~~(1)(a)~~ allow full utilization of the funds authorized under subparagraph (A) of paragraph (1) of subdivision (c) of Section 8879.23 of the Government Code section 8879.23 (e)(1)(A) for this program, or ~~(2)(b)~~ ensure that expenditures do not exceed the amount authorized under subparagraph (A) of paragraph (1) of subdivision (c) of Section 8879.23 of the Government Code Section 8879.23 (e)(1)(A) for this program.



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Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Budget Bill Item 2720-001-0044, Support, California Highway Patrol

Air Fleet Replacement (Issue 101)—It is requested that Item 2720-001-0044 be increased by \$17 million from the Motor Vehicle Account to replace three of the California Highway Patrol's (CHP) helicopters and one airplane. CHP has a current air fleet of 15 helicopters and 15 airplanes, which are responsible for speed enforcement, patrolling rural roadways, emergency response, and homeland security missions. This request will provide one-time funding to replace four aircraft with the highest flight hours, each over 14,000 hours.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Mark Tollefson, Principal Program Budget Analyst, at (916) 322-2263.

ANA J. MATOSANTOS
Director
By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

Attachment

cc: On following page

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-2-

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Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Brian P. Kelly, Acting Secretary, Business, Transportation and Housing Agency
Mr. J.A. Farrow, Commissioner, California Highway Patrol
Ms. Mieke Epps, Commander, Fiscal Management, California Highway Patrol